FINANCIAL AID FACTS
That Every Future Law Student Needs to Know

Every future law student needs to know HOW he is going to pay for law school. If you are a minority, low-income, or otherwise disadvantaged student, you and your parents will probably NOT be able to simply write a check to cover the cost of your legal education. Here are some Financial Aid Facts that you need to know!

1
It starts with the Law School Budget:

Each law school establishes a budget based on their "Cost of Attendance (COA)". This figure includes: tuition and fees, books, room and board, transportation, insurance, personal items, and miscellaneous. All financial aid awards, including loans, are based on this amount.

2
Scholarships should be your top choice:

All law schools have some money that they offer in scholarships. But these scholarships are usually designed to encourage top applicants to enroll. There are also some scholarships that are not school-based.

3
Apply for federal loans first:

Federal Stafford Loans are low-cost loans that are guaranteed by the federal government. The subsidized Federal Stafford Loan is a need-based loan on which the interest is paid by the government while you are in school. The unsubsidized Federal Stafford Loan is not need-based and interest begins accruing as soon as the money is disbursed.

4

Establish good credit:

Stafford Loans is NOT credit-based, however, most law students need more money than the $18,500 that is available in the federal program. So students turn to private companies that lend money based on a student's credit history. If you have not established good credit, now is the time to begin. But don't ruin your credit by forgetting to pay the bill, by paying late, or by moving and not letting the credit card company know where they are. This could keep you from getting the loans you need to finance your legal education.
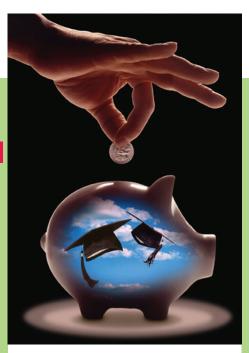
5

Reduce your debt:

The average American law student graduates $88,000 in debt from undergraduate and graduate school loans. THAT IS A LOT OF MONEY!!! Plan to reduce or eliminate any debt you already have before you begin law school. Law school budgets do NOT include money for credit card payments.

6

Develop a budget and stick to it.

Dean Joseph D. Harbaugh of Nova Southeastern School of Law gives each first-year entering class the following advice, "If you live like a lawyer while attending law school, you will surely live like a student when you become a lawyer." Now is the time to develop good fiscal habits. A well thought out budget will start you on the way.

7

Plan to borrow the minimum amount

Your financial aid package, including scholarships and loans, cannot exceed your law school's Cost of Attendance. But this should not encourage you to borrow the maximum amount. Be cost-conscious. Use cash instead of high-interest credit cards. Curtail your impulsive purchases. Think of creative ways to borrow less and save more. Your ability to enjoy the future rewards of your law school years depends on it.

8

Consider Loan Repayment Assistance Programs:

If you have an interest in working in the public sector (government, academics, non-profit organizations, Legal Aid, or other organizations), LRAP programs may help you pay back your student loans after law school. The Equal Justice Works website www.equaljusticeworks.com has information about law schools with programs to help pay your loans if you work in public service.

9

Search the Worldwide Web:

There are many websites designed to help you find financial aid information. Be careful because there are also companies that will require you to pay for their help to find financial aid info or scholarships. Some of the best web sites are:

www.finaid.org
www.fastweb.com
www.accessgroup.org
www.nasfaa.org Click on "Parents and Students" for more excellent websites and information!

10

Develop a Repayment Plan:

Six months after you graduate you will need to start paying back your student loans. Each year you will receive counseling so that you will be aware of your current debt load. At graduation you will be taught how to consolidate your loans and how, when, and where to pay your loan payments. Stay informed about your financial responsibilities.

Debts from student loans are not dischargeable so be a good financial planner now.

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